Conference of AFSI Participants: February 2-3, 2012

U.S. Department of State, Washington, DC

CONCEPT NOTE

FRAMEWORK FOR REPORTING ON THE VALUE OF INVESTMENTS IN AGRICULTURAL RESEARCH FOR DEVELOPMENT

Summary

AFSI member reporting of annual expenditures for agricultural research and development (AR&D), including agricultural research for development (AR4D), would improve the ability to monitor progress on the L'Aquila commitment to substantially strengthen investments in agricultural research and development. It would also support better alignment, targeting, and tracking of our research investments.

Discussion

Increasing global agricultural productivity sufficiently to meet rising food demand while maintaining or enhancing environmental resources requires deliberate, long term policy commitments. One key policy commitment is to maintain adequate levels of investment in agricultural research and development (R&D). Numerous studies have demonstrated the high rates of return for investments in agricultural research and the close correlation between research investments and agricultural productivity improvements. Nevertheless, as the 2008 World Development Report notes, growth in public sector agricultural R&D in both developed and developing countries has been declining for several decades.

In the L'Aquila Statement on Food Security it was agreed that *"Investment in and access to education, research, science and technologies should be substantially strengthened at national, regional and international level."* Greater transparency for spending on agricultural research would improve the ability to monitor progress on this commitment and contribute significantly to aid effectiveness, including the alignment of investments in agricultural research for development (AR4D) with priorities identified in national agricultural investment plans. A more accurate and comprehensive data set on agricultural research spending would also allow for better evaluation of the effectiveness of our research investments.

Investment in public agricultural research is generally a global public good. It can generate large knowledge spillovers beyond the country or region where the research is undertaken, thereby contributing to improved food security around the globe. Domestic research

Comment [DH1]: Unless we are certain this is true I would recommend deleting it.

undertaken by Advanced Research Institutes (ARI) in developed countries on issues such as genome mapping, climate resilience, and pest and disease resistance can be used by applied scientists in developing countries to generate locally-adapted technologies suitable for their farming systems. Given the need for improved transparency and the ability to monitor progress on our commitments, it is essential that we consider a system by which countries can report both their domestic investments on agricultural research and development (AR&D) as well as their investments in AR4D as part of their foreign assistance programs.

An AFSI commitment to report on AR&D (both domestic and as part of foreign aid) could catalyze much needed improvements in tracking support for AR4D. The Global Forum on Agricultural Research (GFAR) held a workshop on January 20 to identify ways to improve the tracking of AR4D investment data and program information. As a result of the workshop GFAR will continue to work on improving the availability of agricultural research investment and expenditure data from all stakeholders, including donors, developing countries, the private sector, and foundations. AFSI could provide momentum to the effort to make these improvements. In addition, the Global Donor Platform has established a working group on research that could help to tackle some of the methodological issues.

An AFSI Framework

In parallel to the reporting on the fulfillment of the L'Aquila pledges, AFSI members could report on annual expenditures for AR&D, both domestic and AR4D (as foreign aid) for the period 2009-2012. This effort could be linked to a commitment to improving the global datasets on spending on agricultural research. This would enable better analyses of the impacts of investments on R&D as well as help improve research prioritization, targeting and tracking of investments.

Methodological issues

There are several methodological issues that need to be addressed.

- What should be included in AR&D (e.g., should it focus on research, or also include investments in extension, technology dissemination, capacity building, support for institutional capacity building, support for universities)?
- Unbundling AR&D funding: domestic research and foreign aid (AR4D) programs.
- Considering a system which covers all countries (for example OECD R&D data only cover OECD member countries, while ASTI is currently funded only to collect AR&D for countries in Sub-Saharan Africa and South Asia and lacks resources to continue data collection for other developing countries).
- Distinguish between *funders* of AR&D (domestic and foreign governments, multilateral institutions, foundations) and *performers* of AR&D (public research

institutes, universities, international agricultural research centers), and the funding pathways between them.

Existing sources

- The Agricultural Science and Technology Indicators project (ASTI) provides data on investments in agricultural R&D for developing countries, including national budgets and donor contributions (but not by individual donor). Data are current for Sub-Saharan Africa and being updated for South Asia but are becoming outdated for most other developing countries. http://www.asti.cgiar.org/

- OECD Science, Technology and R&D Statistics reports data on domestic AR&D spending by OCED member (high-income) countries. Data collection depends on R&D data collection by national statistic systems and are incomplete or inconsistent for many countries. http://www.oecd-ilibrary.org/content/datacollection/strd-data-en

- The OECD-DAC Creditor Reporting System (CRS) includes information on ODA for agricultural research (CRS code 31182). The accuracy of the CRS data is inconsistent because some donors do not fully break out AR4D spending in their reporting. The CRS data can only be as accurate as the inputs received. http://www.oecd.org/dataoecd/50/17/5037721.htm

- AidData (http://www.aiddata.org/home/index) attempts to be more comprehensive by collecting data from multiple sources. However, it too suffers from serious inaccuracies. (There is no data for U.S. assistance for agricultural research, for example.)

- The European Initiative on Agricultural Research for Development (EIARD) is a permanent informal ARD policy coordination platform between the European Commission, Member States of the European Union, Switzerland and Norway. The members each provide a summary of their AR4D budgets on the EIARD website: http://www.eiard.org/.